



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 31, 2011

CERTIFIED RETURN RECEIPT
7009 3410 0001 4203 2475

Bette J. Croshaw
Moreton & Company
709 East South Temple
Salt Lake City, Utah 84102

Subject: Responsibilities of Liberty Mutual under Surety Bond [REDACTED], Nephi Sandstone, Soma Quarry, S/023/0065, Juab County, Utah

Dear Ms. Croshaw:

On July 8, 2010, the Division of Oil, Gas and Mining received notification from you that reclamation bond [REDACTED] would be cancelled 90 days from receipt of the notice (October 6, 2010). The Division has received payments from Nephi Sandstone toward a new reclamation surety, but the amount received is inadequate for reclamation of the site.

As stated in the Division's letter to you dated October 4, 2010, the Division continues to hold Liberty Mutual Insurance Company fully liable for all reclamation obligations incurred prior to the date of termination. The Division may make demand on Liberty Mutual to either proceed with reclamation or to pay the Division the amount of the bond if Nephi Sandstone fails to fulfill its obligations. If Liberty Mutual fails to complete reclamation or make payment as requested, the Division will proceed to file a Notice of Agency Action with the Board of Oil, Gas and Mining to seek forfeiture of the bond.

The operator was previously issued an order requiring the cessation of all mining activities, and this order was reiterated in a letter dated October 24, 2011 (copy enclosed). There should be no new disturbance since the surety bond was canceled.

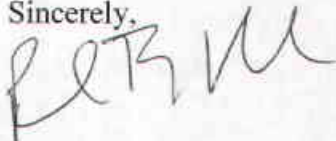
By November 30, 2011, please respond to this letter and affirm that Liberty Mutual Insurance Company remains committed to either complete reclamation or to make payment to the Division if required.



Bette J. Croshaw
Page 2 of 2
S/023/0065
October 31, 2011

Thank you for your cooperation. Please feel free to call me at 801-538-5261 if you have any questions about this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PBK', is written over the word 'Sincerely,'.

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Letter to operator dated October 24, 2011

Cc: Bruce Evans, Nephi Sandstone
Jerry_Mansfield@blm.gov
Opie_abeyta@blm.gov

P:\GROUPS\MINERALS\WP\M023-Juab\S0230065-Soma\final\ltr-surety-10312011.doc